

## **Assembly Bill No. 1324**

### **CHAPTER 702**

An act to amend Section 1371.8 of the Health and Safety Code, and to amend Section 796.04 of the Insurance Code, relating to health care coverage.

[Approved by Governor October 14, 2007. Filed with  
Secretary of State October 14, 2007.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 1324, De La Torre. Health care coverage: treatment authorization.

Existing law provides for regulation of health care service plans by the Director of the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Insurance Commissioner.

Existing law provides that a health care service plan or a health insurer that authorizes a specific type of treatment by a health care provider shall not rescind or modify this authorization after the provider renders the health care service in good faith and pursuant to the authorization.

This bill would additionally specify that a health care service plan or a health insurer is precluded from rescinding or modifying its authorization for any reason, including its subsequent rescission, cancellation, or modification of the contract or its subsequent determination that it did not make an accurate eligibility determination. The bill would also state that it is not the intent of the Legislature to instruct a court as to whether these provisions make a change to existing law.

*The people of the State of California do enact as follows:*

SECTION 1. Section 1371.8 of the Health and Safety Code is amended to read:

1371.8. A health care service plan that authorizes a specific type of treatment by a provider shall not rescind or modify this authorization after the provider renders the health care service in good faith and pursuant to the authorization for any reason, including, but not limited to, the plan's subsequent rescission, cancellation, or modification of the enrollee's or subscriber's contract or the plan's subsequent determination that it did not make an accurate determination of the enrollee's or subscriber's eligibility. This section shall not be construed to expand or alter the benefits available to the enrollee or subscriber under a plan. The Legislature finds and declares that by adopting the amendments made to this section by Assembly Bill 1324 of the 2007–08 Regular Session it does not intend to instruct a court as to whether or not the amendments are existing law.

SEC. 2. Section 796.04 of the Insurance Code is amended to read:

796.04. A health insurer that provides coverage for hospital, medical, or surgical expenses that authorizes a specific type of treatment for services covered under a policyholder's contract or plan by a provider shall not rescind or modify this authorization after the provider renders the health care service in good faith and pursuant to the authorization for any reason, including, but not limited to, the insurer's subsequent rescission, cancellation, or modification of the insured's or policyholder's contract or the insurer's subsequent determination that it did not make an accurate determination of the insured's eligibility. This section shall not be construed to expand or alter the benefits available or the terms and conditions of the contract as may be agreed upon between a policyholder, certificate holder, or trust, and the insurer. The Legislature finds and declares that by adopting the amendments made to this section by Assembly Bill 1324 of the 2007–08 Regular Session it does not intend to instruct a court as to whether or not the amendments are existing law.